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TAGS: [PGOV](#) [PREL](#) [ECON](#) [GG](#)

SUBJECT: ABKHAZ DE FACTO PRIME MINISTER ANKVAB ON ECONOMY  
AND RELATIONS WITH THE GEORGIANS

Classified By: Ambassador John F. Tefft for reasons 1.4(b)&(d).

#### Summary

1. (C) In a meeting with Ambassador May 23, Abkhaz de facto prime minister Alexander Ankvab acknowledged that neither economic growth nor Russian investment in Abkhazia were high, although he thought both would increase considerably with the prospect of the 2014 Winter Olympics in nearby Sochi. Ankvab said the Abkhaz had no interest in a future within Georgia, no matter how prosperous Georgia became. He said the Abkhaz side had called off his planned meeting in March with Georgian Prime Minister Noghaidei because the Georgians intended to discuss issues beyond hydroelectric power -- the planned topic of the meeting. He said he would be willing to talk to any Georgian official if his political leadership instructed him to do so.

GDP? We Prefer not to Know

2. (C) The Ambassador asked Ankvab about the state of the Abkhaz economy, and whether the de facto government calculates GDP. Ankvab said no, adding with a smile that the figures might be so low "they would spoil our mood." He said there were calculations of per capita income and "how much the state can earn," and these figures were modest but improving. Asked if Abkhazia was benefiting from Russian investment, Ankvab said he thought "we will," once serious construction gets underway in connection with a Sochi Olympics in 2014. He said Abkhazia would be the closest and best source for gravel and other construction materials needed for the Games.

3. (C) Ankvab said the Abkhaz administration was working on multi-year projects to improve the road from Sochi through Abkhazia to the Enguri River, as well as the route to Lake Ritsa, in order to attract more summer tourists. He said that there was not yet large-scale industrial investment from Russia; thus far, the only major Russian investment was for resorts in the Gagra area. He acknowledged that many of the tourists in Abkhazia were day-trippers who came from Sochi to take advantage of the free beaches and lower food prices. Ankvab said Abkhazia had widened its international economic contacts in recent years, including with Turkey. He said Abkhazia was negotiating with large European companies.

Why No Noghaidei Meeting

4. (C) Ankvab said he was aware of the new hotels going up in the Georgian seaside resort of Batumi, and added that if Georgia "would forget about tensions in Abkhazia" it had a good chance to develop economically. He said Georgia appeared incapable of using "gentlemanly means" to promote its goal of reclaiming Abkhazia, and he cited as examples the building of youth camps near Abkhazia, the installation of

the Abkhaz Government-in-Exile in Upper Kodori, and Saakashvili's speech praising three students released from Abkhaz custody.

¶5. (C) The Ambassador said the Georgians had been disappointed by the cancellation of Ankvab's meeting with Georgian Prime Minister Noghaideli. Ankvab also expressed disappointment, saying he had taken seriously the Georgians' interest in discussing the renovation of hydroelectric power production from the Enguri reservoir. Ankvab said, however, that he had obtained information that the Georgians planned to bring other people to the meeting, including officials working on Georgian foreign policy and relations with Abkhazia, as well as the press. He said his message had been that Abkhazia was not ready for such a meeting, and had agreed only to discuss energy production.

Our People Don't Want to Live with Georgians  
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¶6. (C) The Ambassador noted that the failure to have even limited meetings with the Georgians was a missed opportunity. Ankvab agreed that personal contacts were useful, but he argued that the Georgians gave the Abkhaz nothing to discuss, and focused only on making Abkhazia part of Georgia. Ankvab said this was impossible for the Abkhaz, who want to live on their own and not be "part of anything." He dismissed the idea of autonomy within Georgia, saying that "our people don't want to live with the Georgians" and "there is blood between our two nations." He said there was a real competition of views on many political issues in Abkhazia, but all forces were united on relations with Georgia; no political leader would have support for changing the policy. He said the Georgians were "unable to hide" the fact that they were not interested in the Abkhaz themselves but in their territory. Asked about the attitudes of the Abkhaz

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younger generation, Ankvab predicted that views toward Georgians would be "passed in the genetic code."

UFOs in Kodori March 11?  
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¶7. (C) Pressed by the Ambassador on the importance of dialogue, Ankvab said he was not opposed but argued that conditions for dialogue were not in place. Among other complaints about Georgia, Ankvab asked why it was necessary for Georgia to re-take control of the Upper Kodori Gorge. The Ambassador explained that under the Moscow ceasefire agreement the Georgians have a right to be there, and their presence had remained within agreed limits even after the missile attack on Georgian positions there March 11. Ankvab then asked rhetorically "was it an attack?" and the Ambassador responded that it was a very serious incident, as described in the UN report. Ankvab said that it was more like a case of UFOs. The Ambassador said such incidents underscored the need for dialogue, and Ankvab reiterated his support for dialogue, saying that if his political leadership so instructed him, he would talk to "Noghaideli, Okruashvili, or anyone else." (Note: Until corrected by the Ambassador, Ankvab did not seem to know that former Georgian Defense Minister Okruashvili left government in 2006.)

Comment  
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¶8. (C) Georgian officials have told us they believe that Ankvab is a major player in Abkhaz politics, especially on economic issues. It is clear from this conversation that a major part of the Abkhaz economic plan is to wait for the hoped-for Sochi Olympics to rain down investments and jobs on Abkhazia. If in fact the International Olympic Committee awards the 2014 games to Sochi in its meeting July 4, it is certain that the Olympics will become the centerpiece of the de facto authorities' internal public relations campaign. It is interesting that even a high Abkhaz official like Ankvab has remarkably little information about what is going on in Georgia. For ordinary Abkhaz, with even less information

about Georgia's economic development, and potentially with a promise from their authorities of economic deliverance in 2014, the idea of a future within Georgia will likely remain a very tough sell. They never mention, however, that ethnic Abkhaz are not all -- and indeed are probably not even a majority -- of the population of Abkhazia. About one-third of Abkhazia is composed of ethnic Georgians, and many observers believe ethnic Armenians may now outnumber the Abkhaz.

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